



Revised Capital Budget & FIVE YEAR WORK PROGRAM

School Board Meeting

JUNE 25, 2019



Bonding

COPs/SALES TAX BONDING of \$100M

5 YEAR TERM*

HIGHLIGHTS

Conservative bonding

- Over 1.7 times coverage during 5-year term
- Additional capacity at 1.75 times coverage after repayment of proposed 2019 bonds
- 1.50 times coverage used during last Half-Cent referendum

Tentative Issue date 10/1/2019

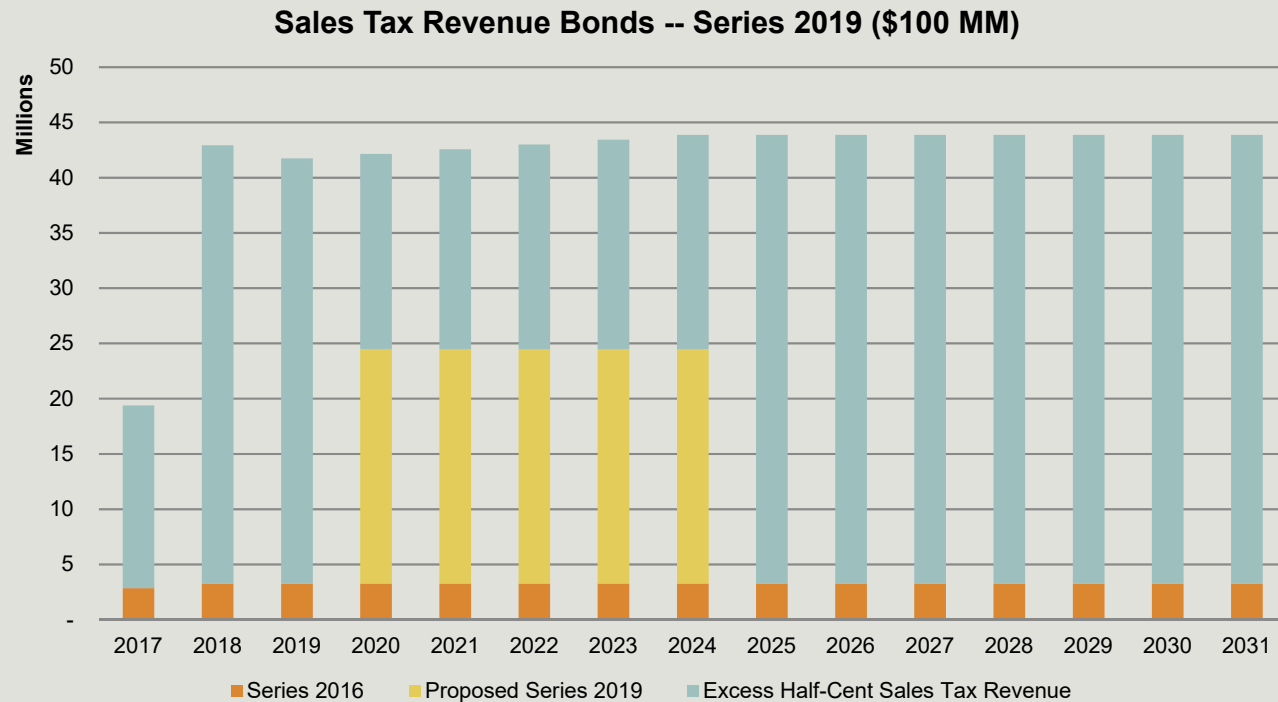
Bond proceeds of \$100.57m

- Par amount \$91.83
- Net interest \$5.8m
- Total debt service \$106.0
- All in True-Interest-Cost 2.00%

*Source: PFM - Preliminary numbers for illustration purposes only

Debt Service Coverage \$100M

5 YEAR TERM*



Excess sales
tax revenues
= \$493m

*Source: PFM - Preliminary numbers for illustration purposes only

Bond Debt Service - \$100M FIVE YEAR TERM*

Period Ending	PRINCIPAL	INTEREST	DEBT SERVICE
10/1/2020	16,615,000	4,591,250	21,206,250
10/1/2021	17,450,000	3,760,500	21,210,500
10/1/2022	18,320,000	2,888,000	21,208,000
10/1/2023	19,240,000	1,972,000	21,212,000
10/1/2024	20,200,000	1,010,000	21,210,000
	\$91,825,000	\$14,221,750	\$106,046,750

*Source: PFM - Preliminary numbers for illustration purposes only.

Aggregate Debt Service FIVE YEAR TERM*

Period Ending	\$100M BONDS, SERIES 2019	\$40M BONDS, SERIES 2016**	AGGREGATE DEBT SERVICE
10/1/2020	21,206,250	3,275,500	24,481,750
10/1/2021	21,210,500	3,274,250	24,484,750
10/1/2022	21,208,000	3,273,500	24,481,500
10/1/2023	21,212,000	3,273,000	24,485,000
10/1/2024	21,210,000	3,272,500	24,482,500
10/1/2025		3,271,750	3,271,750
10/1/2026		3,270,500	3,270,500
10/1/2027		3,273,500	3,273,500
10/1/2028		3,275,250	3,275,250
10/1/2029		3,270,500	3,270,500
10/1/2030		3,274,250	3,274,250
10/1/2031		3,270,750	3,270,750
	\$106,046,750	\$39,275,250	\$145,322,000

*Source: PFM - Preliminary numbers for illustration purposes only

**\$40m bonds – Principal \$33.805m / Net Interest \$8.55m.

FY20-FY24 CAPITAL REVENUE ASSUMPTIONS

- ❖ Capital Outlay and Debt Service (CO&DS) (motor vehicle license revenue does not depend on Legislative approval) - Updated to State projections for proceeds and interest. This is generally a small but stable source of funds. The amounts will grow when the two current Bonds are repaid from the proceeds.
- ❖ Public Education Capital Outlay (PECO) (from gross receipts tax on utilities) – The Legislature has decided to award all PECO monies to Charter Schools for FY20. This means no monies will be received for maintenance in the general fund. Future years are not known thus removed from the work program altogether.
- ❖ Capital Outlay Property Tax – 8.86% increase in FY19 based on the Certified Tax Roll from the property appraiser. The FY20 Pre-Preliminary Tax Roll received May 30, 2019 shows a 7.85% increase.
- ❖ Half Cent Sales Tax – Collections may have reached a saturation point for Volusia County. Thus, the FY20 projection is a flat 1% increase over the FY19 budget amount, then also an increase of 1% for the remaining 4 years of the 5-Year plan.

FY20-FY24 CAPITAL REVENUE ASSUMPTIONS

- ❖ Impact Fees – Based off recent collections Impact Fees are projected to be \$6M for FY20 and a conservative \$5M the remaining 4 years. Board agreement with Volusia Building Industry Association keeps the current impact fee at \$3,000 per residential unit until consideration of a fee change during 2021 and effective by December 31, 2022.
- ❖ Interest Income – As the economy improves and capital revenues improve interest will again begin to be estimated on the 5-year plan. \$100,000 is projected each year and the amount will be adjusted each year as appropriate.
- ❖ **BONDING ASSUMPTION** - Sales Tax Bond – The new sales tax projects are being scheduled on the 5-year plan. Deltona Middle Master Plan is estimated at \$55 which current revenues cannot cover thus bonding will be necessary to cover this project's costs and keep the district running at a nominal level.

FY20-FY24 CAPITAL APPROPRIATIONS ASSUMPTIONS – BONDING

- ❖ The 5-year work program is based on the current conditions and revenues. (Artifact 1 and Artifact 2) This plan is reviewed and updated each year before it is presented to the School Board.
- ❖ Following are the appropriation requests for FY20. (1st column of Artifact 1 and Artifact 2)
 - ❖ New construction \$83.4M, and \$34.28M for projects at existing schools and facilities, with \$2.8M for facilities management, in addition to \$9M for district wide technology equipment, \$1.5M for system wide equipment and vehicle replacement, and \$2.7M for bus purchases.
 - ❖ Transfers to the general fund and debt service make up the largest appropriation. \$8.5M to the general fund for copier leases, maintenance projects, ERP SAAS Fees and SIS Hosting Fees. The debt service is \$26.97M for FY20.

ARTIFACT 1

Five Year Capital Budget

Artifact 1

2020-2024 FISCAL FORECAST FOR CAPITAL OUTLAY 5 YEAR WORK PROGRAM

REVENUES	Budget 2019-2020	Forecast 2020-2021	Forecast 2021-2022	Forecast 2022-2023	Forecast 2023-2024
State sources:					
COMES distributed to district	\$ 494,812	\$ 494,812	\$ 494,812	\$ 494,812	\$ 494,812
Interest on undistributed COMES	18,411	18,411	18,411	18,411	18,411
PECO	-	-	-	-	-
Other state sources	-	-	-	-	-
Total state sources	513,223	513,223	513,223	513,223	513,223
Local sources:					
Ad valorem taxes	59,207,285	62,582,100	66,149,280	69,919,789	73,905,217
FY17 Sales tax	42,150,863	42,579,643	43,009,440	43,431,494	43,860,849
Interest income	100,000	100,000	100,000	100,000	100,000
Impact fees	6,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Local Misc.	-	-	-	-	-
Total local sources	107,458,148	109,261,743	114,258,720	118,451,283	122,876,066
TOTAL REVENUE	107,971,371	110,774,966	114,771,943	119,962,506	123,389,289
OTHER SOURCES OF FUNDS:					
Transfers In	-	-	-	-	-
Other Financing Sources	100,000,000	-	-	-	-
Restricted Fund Balance	145,024,509	85,734,169	62,558,488	36,173,072	50,513,823
Total other sources	245,024,509	85,734,169	62,558,488	36,173,072	50,513,823
TOTAL REVENUE, OTHER SOURCES & FUND BALANCES	\$ 352,995,880	\$ 196,509,135	\$ 177,330,431	\$ 156,135,578	\$ 173,899,212
EXPENDITURES (by category)					
New Construction	\$ 85,400,000	\$ 32,000,000	\$ 41,000,000	\$ 16,000,000	\$ 18,000,000
Projects at Existing Schools and Facilities	34,280,614	32,109,304	34,614,490	24,029,855	25,464,280
Facilities Management	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000
Technology	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
System Wide Equipment and Vehicles	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Buses	2,745,000	2,520,024	2,236,000	2,236,000	2,236,000
Projects in Progress	96,786,453	-	-	-	-
TOTAL EXPENDITURES	232,838,067	79,929,328	91,152,490	55,565,855	57,004,280
TRANSFERS OUT:					
To General Fund	8,554,431	6,554,431	4,554,431	3,637,895	3,329,295
To Debt Service Funds	38,973,813	45,466,898	45,446,438	45,425,525	45,408,125
TOTAL TRANSFERS	47,528,244	52,021,329	50,000,869	49,063,420	48,737,420
Reserved for projects in progress	-	-	-	-	-
Restricted Fund Balance	85,734,169	62,558,488	36,173,072	30,511,323	68,157,912
TOTAL EXPENDITURES, TRANSFERS & FUND BALANCES	\$ 352,995,880	\$ 196,509,135	\$ 177,330,431	\$ 156,135,578	\$ 173,899,212

ARTIFACT 2

Five Year Work Program

11

MAJOR PROJECT NAME	SALES TAX MAJOR PROJECTS FY 2020-2024
George Marks Elem	\$21.5m New Construction - FY 20
Deltona Middle	\$55m New Construction - FY 20
NSB Middle	\$21m Renovations - FY 20-23
Osceola Elementary	\$24m New Construction - FY 21
Tomoka Elementary	\$26m New Construction - FY 22
Starke Elementary	\$4m Renovations - FY 22
Orange City Elementary	\$8m New Construction - FY 24
Spruce Creek High	\$10m New Construction - FY 24

Board Discussion

